[Mr. Speaker] [19th March 1955

' 2. In accordance with rule 130 of the Madras Council Rules, I transmit a copy of the Madras General Sales Tax (Amendment) Bill, 1955 (L.A. Bill No. 4 of 1955), as passed and agreed to by the Council on the 18th March 1955, without any amendment and signed by me.' "

III.—PRESENTATION OF THE SUPPLEMENTARY STATEMENT OF EXPENDITURE FOR THE YEAR 1954–55.

* THE HON. SRI C. SUBRAMANIAM :—" I present the Supplementary Statement of Demands for Grants for the current financial year, 1954–55, and Detailed Estimates thereof. Copies of the Statement of Demands and the Estimates have been laid on the table of the House.

" 2. As explained in the Introductory Memorandum, the present Supplementary Estimates relate to—

(*a*) Schemes of expenditure already provided for in the Budget for the year 1954–55, for which additional provision is now required with reference to the expenditure already incurred or expected to be incurred before the end of the year;

(*b*) ' New Service ' schemes sanctioned by the Government in the course of the year; and

(*c*) Payment of costs awarded by the Courts in suits in which the Government were impleaded as a party.

" In respect of new services, the demand proposed is for the actual additional appropriation required to meet the expenditure in the current year on individual schemes, after taking into account the savings now anticipated in the concerned Grants. Where sufficient savings are expected or no expenditure is likely to be incurred in the current year, the demand proposed is only for a token sum of Rs. 100.

" The estimated expenditure in the current year in respect of New Service schemes included in the present statement is about Rs. 62 lakhs in the Revenue Account and Rs. 24 lakhs in the Capital Account, making a total of Rs. 86 lakhs. Advances to the extent of Rs. 70 lakhs have been sanctioned from the Madras Contingency Fund to meet a part of the expenditure on these schemes, pending regularization by the Legislature. But most of the demands proposed are in respect of larger expenditure on items provided for in the Budget for 1954–55 and approved by the Legislature, due to various causes as explained in the Detailed Estimates.

" There are now 27 Demands pertaining to Revenue Account, including 2 wholly ' charged ' items for Rs. 79,100, involving a total sum of Rs. 6,11·04 lakhs under ' Voted ' and Rs. 10·56 lakhs under ' Charged '.

" Under Capital Account (excluding State Trading Schemes), there are 5 Demands involving a total sum of Rs. 98·37 lakhs under ' voted ' and Rs. 0·25 lakh under ' charged '. In respect of State Trading Schemes, there is a large demand for a sum of

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Rs. 10,24·44 lakhs, which I shall explain presently. Thus the total of all the Supplementary Demands including 'charged' items works out to Rs. 17½ crores nearly. All this of course does *not* represent additional expenditure as compared with the Budget originally approved by the Legislature. Under the system of gross budgeting now in force, specific demands for grants have to be moved for even adjustments from one head to another within the same grant and all recoveries have to be ignored. Thus, taking the Demand for Capital Outlay on Schemes of State Trading, it will be seen from the Detailed Supplementary Statement that recoveries to the extent of over Rs. 11·08 crores are anticipated against the Demand of Rs. 10·24 crores. The additional expenditure represents the purchase price of stocks of foodgrains and manures, including advances made towards such purchase, while the recoveries represent the estimated proceeds from the sales of such stock, including recoveries of advances previously made. The result is that though apparently a Demand for an additional sum of over Rs. 10 crores is asked for in respect of State Trading Schemes, there will actually be reduction of about Rs. 84 lakhs in the *net* expenditure on account of State Trading Schemes in this year. Similarly, in respect of Electricity schemes (Demand No. XXVII), an additional sum of nearly Rs. 160 lakhs is asked for under 'voted.' But most of this represents merely a transfer of the expenditure on 'Generation' from a common suspense head to the individual systems. If such internal transfers are allowed for, the net additional demand asked for is only for a sum of Rs. 42 lakhs.

"Hon. Members will, I hope, take note of the fact that though apparently supplementary estimates are presented for a sum of Rs. 17½ crores, the net Demand is only for a sum of about Rs. 4¾ crores. Even this net Demand does not represent additional expenditure over the Budget; for, as explained in the Introductory Memorandum, against excess expenditure under some demands, there are savings under others, which cannot be formally reappropriated. The total savings anticipated in this manner is about Rs. 3 crores, comprising about Rs. 1 crore in the Revenue Account and Rs. 2 crores in the Capital Account. Further, most of the additional expenditure provided for in the Supplementary Statement has already been allowed for in the Revised Estimates for this year, presented to the Legislature earlier.

"3. Large items included in the present Supplementary Statement are the following :—

(1) About Rs. 122 lakhs under Demand XI—District Administration and Miscellaneous, which represents merely adjustments to be made on account of the conversion of loans granted for construction of wells into subsidies and larger outlay on local development works with reference to the contributions received from the Government of India and the public.

(2) Nearly Rs. 160 lakhs under Demand XXVII—Electricity, which I have already explained.

(3) About Rs. 63 lakhs under Civil Works (Demands XXIV and XXVI) which represent mainly larger expenditure on repairs to Highways damaged by floods and outlay on works financed from the Central Road Fund, including grants to local bodies.

(4) A sum of Rs. 81½ lakhs under XV—Education, to cover the increased expenditure on payment of arrear and advance teaching grants and on the opening of a large number of additional schools and employment of additional teachers in pursuance of the Government of India's scheme to relieve the educated unemployed.

(5) A sum of about Rs. 89 lakhs under Demand XXXVIII—Capital Outlay on Electricity Schemes, to meet the expenditure on the large number of rural electrification schemes undertaken with special assistance from the Government of India, for rural development and for increasing employment opportunities. The Demands for Capital Expenditure include also token sums under 'Irrigation' and relatively small amounts for the buildings connected with the Modern Quinine Factory and for the purchase of additional buses for the State Transport.

" Full particulars of all Demands will be found in the Detailed Supplementary Estimates.

9-40 a.m. " With these words, I commend the Supplementary Estimates for the acceptance of the House."

MR. SPEAKER :—" The motion of the hon. Member Sri K. V. Ramaswami will be taken up on Monday."

IV.—GOVERNMENT MOTION *RE* CHANGE IN THE ORDER OF DEMANDS FOR GRANTS.

THE HON. SRI C. SUBRAMANIAM :—" Sir, I move—

'*That Demand XXVI—Civil Works—Grants-in-aid and Demand XLII—Loans and Advances by the State Government be taken up to-day and that Demand XXIV—Civil Works—Works and Demand XXV—Civil Works—Establishment and Tools and Plant be postponed to the 23rd March* 1955.' "

MR. SPEAKER :—" The motion has been moved with the consent of the members of the Business Advisory Committee. The question is—

'That Demand XXVI—Civil Works—Grants-in-aid and Demand XLII—Loans and Advances by the State Government be taken up to-day and that Demand XXIV—Civil Works—Works and Demand XXV—Civil Works—Establishment and Tools and Plant be postponed to the 23rd March 1955.' "

The motion was put and carried.